Chapter 3 Analyzing the Marketing Environment

1) You are directed to study the actors close to the company that affect its ability to serve its customers-departments within the company, suppliers, marketing intermediaries, customer markets, competitors, and publics. What are you studying?
A) the macroenvironment
B) the microenvironment
C) the marketing environment
D) the demographic environment
E) the global environment
Answer: B
Diff: 1 Page Ref: 66
Skill: Concept
Objective: 3-1

2) Which of the following terms is used to describe the factors and forces outside marketing that affect marketing management's ability to build and maintain successful relationships with target customers?
A) the marketing environment
B) the cultural environment
C) strategic planning
D) target markets
E) the marketing mix
Answer: A
Diff: 1 Page Ref: 66
Skill: Concept
Objective: 3-1

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3) You are directed to study the demographic, economic, natural, technological, political, and cultural factors that are larger societal forces affecting your company. What are you studying?
A) the macroenvironment
B) the microenvironment
C) the external environment
D) the marketing mix
E) the global environment
Answer: A
Diff: 1 Page Ref: 66
Skill: Concept
Objective: 3-1

4) Which of the following is NOT a type of factor in a company's macroenvironment?
A) demographic
B) economic
C) technological
D) competitive
E) political
Answer: D
Diff: 1 Page Ref: 66
Skill: Concept
Objective: 3-1

5) All of the groups within a company are called the _____.
A) culture
B) diversity
C) internal environment
D) climate
E) range
Answer: C
Diff: 2 Page Ref: 67
Skill: Concept
Objective: 3-1

6) Which type of organization helps companies to stock and move goods from their points of origin to their destination?
A) financial intermediaries
B) physical distribution firms
C) marketing services agencies
D) resellers
E) suppliers
Answer: B
Diff: 1 Page Ref: 68
Skill: Concept
Objective: 3-1

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7) Banks, credit companies, insurance companies, and other businesses that help finance transactions or insure against the risks associated with the buying and selling of goods and services are referred to as _____.
A) financial intermediaries
B) physical distribution firms
C) marketing services agencies
D) resellers
E) wholesalers
Answer: A
Diff: 1 Page Ref: 68
Skill: Concept
Objective: 3-1

8) Currently, Diego Calabresa is employed by a firm that conducts marketing research and creates ads for other companies that help them target and promote their products to the right markets. Who is Diego's employer?
A) a financial intermediary
B) a physical distribution firm
C) a marketing service agency
D) a reseller
E) a green marketer
Answer: C
Diff: 2 Page Ref: 68
Skill: Concept
Objective: 3-1

9) A _____ is defined as any group that has an actual or potential interest in, or impact on, an organization's ability to achieve its objectives.
A) team
B) competitor
C) market
D) public
E) intermediary
Answer: D
Diff: 1 Page Ref: 69
AACSB: Communication
Skill: Concept
Objective: 3-1

10) Which of the following is NOT an example of the type of public that is part of a company's marketing environment?
A) financial
B) media
C) government
D) citizen-action
E) marketing department
Answer: E
Diff: 1 Page Ref: 69
AACSB: Communication
Skill: Concept
Objective: 3-1

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11) A radio station that carries news, features, and editorial opinions about your area is which type of public?
A) financial
B) media
C) citizen-action
D) local
E) government
Answer: B
Diff: 1 Page Ref: 69
AACSB: Communication
Skill: Concept
Objective: 3-1

12) A consumer organization, environmental group, or minority group has challenged your firm's stand on a local issue. Your firm is being challenged by a _____ public.
A) local
B) general
C) government
D) citizen-action
E) media
Answer: D
Diff: 1 Page Ref: 69
AACSB: Reflective Thinking
Skill: Concept
Objective: 3-1

13) Workers, managers, and members of the board are all part of a company's _____ public.
A) general
B) internal
C) local
D) intermediary
E) market
Answer: B
Diff: 1 Page Ref: 69
Skill: Concept
Objective: 3-1

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14) Percy Original caters to a market of individuals and households that buys goods and services for personal consumption. Percy Original caters to a _____ market.
A) business
B) reseller
C) government
D) consumer
E) marketing intermediary
Answer: D
Diff: 2 Page Ref: 69
Skill: Concept
Objective: 3-1

15) Which type of market buys goods and services for further processing or for use in the production process?
A) business
B) reseller
C) wholesale
D) consumer
E) retail
Answer: A
Diff: 2 Page Ref: 69
Skill: Concept
Objective: 3-1

16) Which type of market buys goods and services to produce public services or to transfer them to others who need them?
A) government
B) reseller
C) wholesale
D) consumer
E) retail
Answer: A
Diff: 1 Page Ref: 69
Skill: Concept
Objective: 3-1

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17) Rachel Patino works for a wholesale company called Distributors Unlimited. She is responsible for buying and selling goods at a profit to small retailers. What is her market?
A) business
B) reseller
C) wholesale
D) consumer
E) retail
Answer: B
Diff: 1 Page Ref: 69
Skill: Concept
Objective: 3-1

18) Your marketing department is currently researching the size, density, location, age, and occupations of your target market. Which environment is being researched?
A) demographic
B) psychographic
C) economic
D) geographic
E) cultural
Answer: A
Diff: 1 Page Ref: 70
Skill: Concept
Objective: 3-2

19) The three largest generational groups in America are the baby boomers, Generation Xers, and _____.
A) seniors
B) Millennials
C) teens
D) tweens
E) toddlers
Answer: B
Diff: 1 Page Ref: 71
AACSB: Multicultural and Diversity
Skill: Concept
Objective: 3-2

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20) As a group, _____ are the most affluent Americans.
A) baby boomers
B) Generation Xers
C) the Millennials
D) echo boomers
E) seniors
Answer: A
Diff: 2 Page Ref: 71
AACSB: Multicultural and Diversity
Skill: Concept
Objective: 3-2

21) Research has shown that the most important demographic trend in the United States is the _____.
A) changing age structure of the population
B) mobility of families
C) slowing birth rate
D) increasing number of professional jobs
E) aging population
Answer: A
Diff: 3 Page Ref: 71
AACSB: Multicultural and Diversity
Skill: Concept
Objective: 3-2

22) The youngest of the baby boomers are now in their _____.
A) late 20s
B) mid-20s
C) mid-40s
D) early 50s
E) early 60s
Answer: C
Diff: 2 Page Ref: 71
AACSB: Multicultural and Diversity
Skill: Concept
Objective: 3-2

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23) Which of the following descriptions most accurately characterizes the baby boomers?
A) They are increasingly likely to retire early.
B) They are a shrinking market for new housing and home remodeling.
C) They are past their peak earning and spending years.
D) They hold 75% of the country's assets.
E) They are uninterested in adapting new technologies.
Answer: D
Diff: 2 Page Ref: 71
AACSB: Multicultural and Diversity
Skill: Concept
Objective: 3-2

24) Which of the following descriptions most accurately characterizes Gen Xers?
A) There are more Gen Xers than Millennials.
B) They were the first generation of latchkey kids.
C) They grew up during times of great economic growth.
D) They are more interested in acquiring goods than having experiences.
E) They rarely research a product before purchasing it.
Answer: B
Diff: 2 Page Ref: 72
AACSB: Multicultural and Diversity
Skill: Concept
Objective: 3-2

25) Which demographic group is also referred to as the echo boomers?
A) Generation X
B) Millennials
C) Generation Z
D) baby boomers
E) baby busters
Answer: B
Diff: 2 Page Ref: 74
AACSB: Multicultural and Diversity
Skill: Concept
Objective: 3-2

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26) Large tween and teen markets belong to which demographic group?
A) Generation X
B) Millennials
C) baby busters
D) baby boomers
E) Generation Z
Answer: B
Diff: 1 Page Ref: 74
AACSB: Multicultural and Diversity
Skill: Concept
Objective: 3-2

27) Which of the following descriptions most accurately characterizes Millennials?
A) They are children of baby boomers.
B) They are less ethnically diverse than Gen Xers.
C) They have reached their peak earning and spending years.
D) They were once labeled "the MTV generation."
E) They have graduated from college and are taking over positions of power in the business world.
Answer: A
Diff: 2 Page Ref: 74
AACSB: Multicultural and Diversity
Skill: Concept
Objective: 3-2

28) Which demographic group is characterized by a total fluency and comfort with computer, digital, and Internet technology?
A) Generation X
B) Millenials
C) the elderly
D) Generation Z
E) baby boomers
Answer: B
Diff: 1 Page Ref: 74
AACSB: Multicultural and Diversity
Skill: Concept
Objective: 3-2

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29) Which of the following demographic groups has NOT seen a percentage increase in the past 50 years?
A) women staying at home with their children
B) men staying at home with their children
C) nontraditional households
D) nonfamily households
E) women working outside of the home
Answer: A
Diff: 3 Page Ref: 75-76
AACSB: Multicultural and Diversity
Skill: Concept
Objective: 3-2

30) Ameriprise Financial has published a *Dream Book* guide, one of the first steps in their Dream > Plan > Track approach to financial planning, as part of their strategy to attract _____ as customers.
A) baby boomers
B) Gen Xers
C) echo boomers
D) Millennials
E) professionals
Answer: A
Diff: 2 Page Ref: 73
Skill: Concept
Objective: 3-2

31) "Dreams don't retire" is the theme of a(n) _____ marketing campaign aimed at baby boomers.
A) financial services
B) anti-aging products
C) travel and entertainment
D) fitness products
E) technological products
Answer: A
Diff: 2 Page Ref: 73
Skill: Concept
Objective: 3-2

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32) In 1950, women made up under 40 percent of the workforce; now they make up _____ percent.
A) 35
B) 40
C) 43
D) 46
E) 59
Answer: E
Diff: 3 Page Ref: 75
AACSB: Multicultural and Diversity
Skill: Concept
Objective: 3-2

33) Which of the following is a trend that depicts the increasingly nontraditional nature of today's American family?
A) working women making up a smaller percentage of the workforce
B) the falling percentage of married couples with children
C) dual-income families declining in number
D) stay-at-home dads declining in number
E) the declining reliance on convenience foods and services
Answer: B
Diff: 2 Page Ref: 75
AACSB: Multicultural and Diversity
Skill: Concept
Objective: 3-2

34) Over the past two decades, the U.S. population has shifted most heavily toward the _____ states.
A) Midwestern
B) Northern
C) Sunbelt
D) Southeastern
E) Northeastern
Answer: C
Diff: 2 Page Ref: 76
Skill: Concept
Objective: 3-2

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35) Which of the following geographical areas has NOT seen a recent population increase?
A) micropolitan areas
B) suburbs
C) the West
D) the Northeast
E) the South
Answer: D
Diff: 3 Page Ref: 76
Skill: Concept
Objective: 3-2

36) In the 1950s, the American population began shifting from large cities to _____.
A) farming communities
B) rural areas
C) foreign countries
D) suburbs
E) coastal towns
Answer: D
Diff: 1 Page Ref: 76
Skill: Concept
Objective: 3-2

37) Which of the following is the most reasonable to assume as more and more Americans move to "micropolitan areas"?
A) Geographic segmentation may be less critical to marketers.
B) Rural populations will offer an expanding market.
C) Micropolitan areas are likely to offer the same advantages as metropolitan areas.
D) Congested areas are likely to become more ensnarled.
E) Crime rates in metropolitan areas will increase.
Answer: C
Diff: 3 Page Ref: 76
AACSB: Analytic Skills
Skill: Concept
Objective: 3-2

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38) Nearly 10 percent of American workers currently work out of their homes with technological conveniences such as PCs, Internet access, and fax machines. These workers are referred to as the _____ market.
A) micropolitan
B) SOHO
C) mobile
D) independent
E) contract
Answer: B
Diff: 2 Page Ref: 76
AACSB: Use of IT
Skill: Concept
Objective: 3-2

39) Which of the following groups of workers is projected to become smaller over the next ten years?
A) white collar workers
B) manufacturing workers
C) managers
D) telecommuters
E) professional workers
Answer: B
Diff: 3 Page Ref: 77
AACSB: Multicultural and Diversity
Skill: Concept
Objective: 3-2

40) Because of increasing _____, Americans will demand higher quality products, books, magazines, travel, personal computers, and Internet services.
A) numbers of nontraditional families
B) family size
C) levels of education
D) social class awareness
E) ethnic diversity
Answer: C
Diff: 2 Page Ref: 77
AACSB: Multicultural and Diversity
Skill: Concept
Objective: 3-2

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41) Which of the following is an accurate statement about the diversity of the American population?
A) African Americans represent the largest non-white segment of the population.
B) More than 12 percent of people living in the United States were born in another country.
C) The Asian American percentage of the population is expected to remain steady in the next 50 years.
D) In terms of ethnic diversity, the United States is about average in comparison to other countries with populations of a comparable size.
E) American ethnic populations are expected to slowly increase in the next few decades.
Answer: B
Diff: 3 Page Ref: 77
AACSB: Multicultural and Diversity
Skill: Concept
Objective: 3-2

42) Of the following, which is the fastest-growing ethnic minority in the United States?
A) African Americans
B) Asian Americans
C) Hispanics
D) Native Americans
E) Arab Americans
Answer: C
Diff: 2 Page Ref: 77
AACSB: Multicultural and Diversity
Skill: Concept
Objective: 3-2

43) With an expected increase in ethnic populations, marketers are likely to place a greater emphasis on _____.
A) geographic segmentation
B) targeted advertising messages
C) mass marketing
D) mainstream advertising
E) cause-related marketing
Answer: B
Diff: 2 Page Ref: 77
AACSB: Multicultural and Diversity
Skill: Concept
Objective: 3-2

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44) Members of which of the following groups are more likely than the average American to have a professional job, have a household income over $250,000, own a vacation home, own a notebook computer, and own individual stocks?
A) Gen Xers
B) gays and lesbians
C) Millennials
D) echo boomers
E) environmentalists
Answer: B
Diff: 3 Page Ref: 78
AACSB: Multicultural and Diversity
Skill: Concept
Objective: 3-2

45) Of the following diversity segments in the American population, which is currently the largest?
A) adults with disabilities
B) Hispanics
C) African Americans
D) telecommuters
E) Asian Americans
Answer: A
Diff: 2 Page Ref: 78
AACSB: Multicultural and Diversity
Skill: Concept
Objective: 3-2

46) The _____ environment consists of factors that affect consumer purchasing power and spending patterns.
A) cultural
B) political
C) technological
D) economic
E) natural
Answer: D
Diff: 1 Page Ref: 79
Skill: Concept
Objective: 3-2

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47) A country with a(n) _____ economy consumes most of its own agricultural and industrial outputs and offers few market opportunities.
A) industrial
B) service
C) technological
D) subsistence
E) rural
Answer: D
Diff: 2 Page Ref: 79
AACSB: Multicultural and Diversity
Skill: Concept
Objective: 3-2

48) A country with a(n) _____ economy has rich markets for many different kinds of goods.
A) industrial
B) service
C) developing
D) subsistence
E) multicultural
Answer: A
Diff: 2 Page Ref: 79
AACSB: Multicultural and Diversity
Skill: Concept
Objective: 3-2

49) Which of the following factors has NOT contributed to today's age of the "tapped-out consumer"?
A) rising incomes in the upper class
B) debt repayment
C) increasing household expenses
D) savings for college tuition
E) savings for retirement
Answer: A
Diff: 2 Page Ref: 80
AACSB: Analytic Skills
Skill: Concept
Objective: 3-2

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50) Value marketing is the strategy of offering consumers _____.
A) high quality at a high price
B) luxury quality at a high price
C) lesser quality at a low price
D) reasonable quality at a fair price
E) little quality at a low price
Answer: D
Diff: 2 Page Ref: 80
Skill: Concept
Objective: 3-2

51) Which of the following statements about income distribution in the United States is NOT true?
A) In recent decades, the rich have gotten richer.
B) In recent decades, the middle class has grown.
C) In recent decades, the poor have remained poor.
D) The top 10 percent of American earners account for almost half of all American income.
E) The top one percent of American earners receive a higher percentage of the nation's total income than do the bottom 50 percent of American earners.
Answer: B
Diff: 3 Page Ref: 80
AACSB: Multicultural and Diversity
Skill: Concept
Objective: 3-2

52) In a tiered market, companies target which of the following?
A) affluent consumers only
B) consumers of modest means only
C) the middle class only
D) consumers at all levels of income distribution
E) professionals only
Answer: D
Diff: 2 Page Ref: 80
Skill: Concept
Objective: 3-2

53) Which of the following groups of expenses uses up the most household income?
A) food, housing, retirement planning
B) housing, insurance, taxes
C) food, housing, transportation
D) housing, taxes, transportation
E) food, travel, savings
Answer: C
Diff: 2 Page Ref: 81
Skill: Concept
Objective: 3-2

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54) Ernst Engel's laws generally have been supported by recent studies. He discovered that as family income rises, the percentage spent on _____ declines and the percentage spent on _____ remains about constant.
A) food; clothing
B) clothing; recreation/entertainment
C) food; transportation
D) food; housing
E) recreation/entertainment; savings
Answer: D
Diff: 2 Page Ref: 81
Skill: Concept
Objective: 3-2

55) The natural resources that are needed as inputs by marketers or that are affected by marketing activities are referred to as the _____.
A) raw material market
B) natural environment
C) endangered environment
D) green movement
E) factors of production
Answer: B
Diff: 1 Page Ref: 81
Skill: Concept
Objective: 3-3

56) Which of the following American government agencies is charged with setting and enforcing pollution standards?
A) the Environmental Protection Agency (EPA)
B) the Federal Trade Commission (FTC)
C) the Food and Drug Administration (FDA)
D) the Consumer Product Safety Commission
E) the Federal Energy Regulatory Commission
Answer: A
Diff: 2 Page Ref: 81
AACSB: Ethical Reasoning
Skill: Concept
Objective: 3-3

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57) Which of the following has encouraged marketers to pursue environmentally sustainable strategies?
A) the EPA
B) the black market
C) the green movement
D) deregulation
E) green intervention
Answer: C
Diff: 2 Page Ref: 82
AACSB: Ethical Reasoning
Skill: Concept
Objective: 3-3

58) Which of the following is a result of regulations set up by the Food and Drug Administration and the Consumer Product Safety Commission?
A) The time between new product ideas and their introduction to the market has decreased.
B) Spending on research and development has decreased.
C) Research costs for companies have grown.
D) More companies have failed to meet safety standards.
E) Companies are more focused on making practical, affordable versions of products.
Answer: C
Diff: 2 Page Ref: 83
AACSB: Ethical Reasoning
Skill: Concept
Objective: 3-3

59) Marketers should be aware of laws, government agencies, and pressure groups that influence or limit various organizations and individuals in a given society. This is most accurately described as the _____ environment.
A) socio-legal
B) cultural
C) political
D) legal-technological
E) economic
Answer: C
Diff: 1 Page Ref: 84
AACSB: Ethical Reasoning
Skill: Concept
Objective: 3-4

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60) Even the most liberal advocates of free-market economies agree that the system works best with _____ regulation.
A) private
B) maximum
C) intermittent
D) at least some
E) no
Answer: D
Diff: 2 Page Ref: 84
AACSB: Ethical Reasoning
Skill: Concept
Objective: 3-4

61) Legislation affecting business around the world will continue to _____.
A) become standardized
B) increase
C) remain steady
D) decrease
E) threaten the American domestic economy
Answer: B
Diff: 2 Page Ref: 84
Skill: Concept
Objective: 3-4

62) The legislation created to limit the number of commercials aired during children's programming is called the _____
A) Children's Online Privacy Protection Act
B) Child Protection Act
C) Fair Packaging and Labeling Act
D) Children's Television Act
E) Consumer Product Safety Act
Answer: D
Diff: 2 Page Ref: 85
AACSB: Communication
Skill: Concept
Objective: 3-4

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63) Business legislation has been created for three basic reasons: to protect companies from each other, to protect consumers, and to _____.
A) protect the interests of society
B) regulate prices
C) increase world trade
D) regulate monopolies
E) promote social responsibility
Answer: A
Diff: 2 Page Ref: 84
AACSB: Ethical Reasoning
Skill: Concept
Objective: 3-4

64) The recent rash of business scandals and increased concerns about the environment have created fresh interest in the issues of _____ and _____.
A) ethics; promotion responsibility
B) ethics; social responsibility
C) finances; employee discrimination
D) management ethics; insider trading
E) promotion; pricing
Answer: B
Diff: 3 Page Ref: 86
AACSB: Ethical Reasoning
Skill: Concept
Objective: 3-4

65) Cause-related marketing is a(n) _____.
A) response to customer needs
B) primary form of environmental awareness
C) primary form of corporate giving
D) response to corporate legislative problems
E) attempt to influence consumers' core beliefs
Answer: C
Diff: 2 Page Ref: 86
AACSB: Ethical Reasoning
Skill: Concept
Objective: 3-4

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66) A society's basic values, perceptions, preferences, and behaviors are all part of its _____ environment.
A) social
B) cultural
C) political
D) cultural-economic
E) natural
Answer: B
Diff: 1 Page Ref: 87
Skill: Concept
Objective: 3-4

67) Marketers should understand that a society's core beliefs and values have a high degree of _____.
A) persistence
B) flexibility
C) similarity
D) ethnocentrism
E) conformity
Answer: A
Diff: 2 Page Ref: 87
Skill: Concept
Objective: 3-4

68) Your company is making negotiations to enter a market in Lower Albania. You would most likely discover that _____ beliefs and values are open to change in this country.
A) inherited
B) secondary
C) primary
D) core
E) traditional
Answer: B
Diff: 2 Page Ref: 87
Skill: Concept
Objective: 3-4

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69) A society's _____ are expressed in how people view themselves, organizations, society, nature, and the universe.
A) social codes
B) cultural values
C) demographics
D) public policies
E) economies
Answer: B
Diff: 1 Page Ref: 87
AACSB: Multicultural and Diversity
Skill: Concept
Objective: 3-4

70) Trends in people's views of organizations indicate that which of the following has increased in the past twenty years?
A) employees' loyalty to their employers
B) confidence in American political organizations
C) distrust in big American businesses
D) distrust in small, local businesses
E) employees' view of work as a source of satisfaction
Answer: C
Diff: 2 Page Ref: 89
Skill: Concept
Objective: 3-4

71) Watching the cultural trends of how people view society, observers have noted that since September 11, 2001, marketers responded to the increased _____ of Americans with special products and promotions.
A) loyalty
B) patriotism
C) distrust
D) foreign intolerance
E) belligerence
Answer: B
Diff: 2 Page Ref: 89
Skill: Concept
Objective: 3-4

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72) Which of the following is a potential downside to using patriotic themes in marketing programs?
A) Patriotism has been on the decline in the past decade.
B) Levels of patriotism fluctuate rapidly.
C) Such promotions can be viewed as attempts to gain from others' triumph or tragedy.
D) Americans are less confident in political organizations.
E) Few marketers currently use this technique.
Answer: C
Diff: 3 Page Ref: 89
AACSB: Communication
Skill: Concept
Objective: 3-4

73) Cultural forecasters have noted a renewed American interest in _____.
A) dominating and taming nature
B) the fine arts
C) work as a source of satisfaction and self-definition
D) spirituality
E) reforming social classes
Answer: D
Diff: 3 Page Ref: 90
AACSB: Multicultural and Diversity
Skill: Concept
Objective: 3-4

74) Marketers can take a(n) _____ by taking aggressive action to affect the publics and forces in their marketing environments.
A) environmental stance
B) proactive stance
C) natural perspective
D) natural-management perspective
E) relationship-building perspective
Answer: B
Diff: 2 Page Ref: 91
Skill: Concept
Objective: 3-5

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75) Which of the following explains why few companies have been successful in shutting down critics who post complaints on the Web?
A) The criticism is usually interpreted as protected speech.
B) The courts have typically refused to hear any cases against individual critics.
C) Web sites using "I hate" or "sucks" in the title along with a company's name can be easily confused with the company's actual Web site.
D) Registering domain names to prevent critical Web sites is a lengthy process.
E) Companies have found that it is more effective to respond in kind with attacks against critics.
Answer: A
Diff: 2 Page Ref: 92
AACSB: Ethical Reasoning
Skill: Concept
Objective: 3-5

76) Today's marketers must successfully build relationships to connect effectively with customers, others in the company, and external partners.
Answer: TRUE
Diff: 1 Page Ref: 66-67
AACSB: Communication
Skill: Concept
Objective: 3-1

77) When the marketing manager Suzie Kwan discusses factors and forces outside marketing, such as political that affect marketing management's ability to build and maintain successful relationships with target customers, she is talking about the external marketing concept.
Answer: FALSE
Diff: 2 Page Ref: 66
Skill: Application
Objective: 3-1

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78) The microenvironment consists of larger societal forces that affect a company, such as demographic, economic, political, and cultural forces.
Answer: FALSE
Diff: 1 Page Ref: 66
Skill: Concept
Objective: 3-1

79) The macroenvironment consists of the factors close to the company that affect its ability to serve its customers, such as suppliers, customer markets, competitors, and publics.
Answer: FALSE
Diff: 1 Page Ref: 66
Skill: Concept
Objective: 3-1

80) Trudie Jones works for a distribution channel firm that helps several electronics companies find customers or make sales to them. Trudie works for a reseller.
Answer: TRUE
Diff: 3 Page Ref: 67
AACSB: Reflective Thinking
Skill: Application
Objective: 3-1

81) Marketing research firms, advertising agencies, media firms, and marketing consulting firms are all referred to as marketing services agencies.
Answer: TRUE
Diff: 2 Page Ref: 68
AACSB: Communication
Skill: Concept
Objective: 3-1

82) Today's successful marketers recognize the importance of working with their intermediaries as channels through which they sell their products rather than as full-fledged partners.
Answer: FALSE
Diff: 2 Page Ref: 68
Skill: Concept
Objective: 3-1

83) Consumer organizations such as environmental and minority groups that may questions a company's marketing decisions are referred to as local publics.
Answer: FALSE
Diff: 2 Page Ref: 69
Skill: Concept
Objective: 3-1

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84) A company markets wild and crazy games for teens to play at parties. This company's customer market is a business market.
Answer: FALSE
Diff: 2 Page Ref: 69
AACSB: Reflective Thinking
Skill: Application
Objective: 3-1

85) The demographic environment is of major interest to marketers because it involves people, and people make up markets.
Answer: TRUE
Diff: 1 Page Ref: 70
Skill: Concept
Objective: 3-2

86) The single most important demographic trend in the United States that marketers should understand is the changing family structure.
Answer: FALSE
Diff: 3 Page Ref: 70
AACSB: Multicultural and Diversity
Skill: Concept
Objective: 3-2

87) As baby boomers reach their peak earning and spending years, they become lucrative markets for financial services, travel, and entertainment.
Answer: TRUE
Diff: 2 Page Ref: 71
AACSB: Multicultural and Diversity
Skill: Concept
Objective: 3-2

88) Once thought of as slackers, Gen Xers are now displacing the lifestyles, culture, and materialistic values of the baby boomers.
Answer: TRUE
Diff: 2 Page Ref: 73
AACSB: Multicultural and Diversity
Skill: Concept
Objective: 3-2

89) Millennials comprise the most commercially influential group in America today.
Answer: FALSE
Diff: 2 Page Ref: 70-71
AACSB: Multicultural and Diversity
Skill: Concept
Objective: 3-2

90) Millennials represent a larger demographic segment than the baby boomers or Gen Xers.
Answer: TRUE
Diff: 2 Page Ref: 74
AACSB: Multicultural and Diversity
Skill: Concept
Objective: 3-2

91) Marketers must increasingly consider the needs of traditional households because this segment of the population is growing more rapidly than nontraditional households.
Answer: FALSE
Diff: 3 Page Ref: 75
AACSB: Multicultural and Diversity
Skill: Concept
Objective: 3-2

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92) The American workforce today is better educated but less white-collar than it was a generation ago.
Answer: FALSE
Diff: 3 Page Ref: 77
Skill: Concept
Objective: 3-2

93) Companies in several industries have recognized the buying power of the gay and lesbian segment of the U.S. population and have begun explicitly targeting these consumers with gay-specific marketing efforts.
Answer: TRUE
Diff: 2 Page Ref: 78
AACSB: Multicultural and Diversity
Skill: Concept
Objective: 3-2

94) According to Engel's laws, consumers tend to spend a larger percentage of income on savings as income rises.
Answer: TRUE
Diff: 2 Page Ref: 81
Skill: Concept
Objective: 3-2

95) Significant trends in the natural environment include shortages of raw materials, increased pollution, and decreased government intervention.
Answer: FALSE
Diff: 2 Page Ref: 81
Skill: Concept
Objective: 3-3

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96) More government legislation and the green movement are the likeliest causes of a general decline in environmental concerns in the past decade.
Answer: FALSE
Diff: 2 Page Ref: 81
AACSB: Reflective Thinking
Skill: Application
Objective: 3-3

97) The introduction of new technologies is beneficial to all industries, as new markets and opportunities are created.
Answer: FALSE
Diff: 2 Page Ref: 83
AACSB: Use of IT
Skill: Concept
Objective: 3-3

98) Cause-related marketing is a slowing trend as companies have abused the practice, using it more to increase sales than to support worthwhile causes.
Answer: FALSE
Diff: 2 Page Ref: 86
Skill: Concept
Objective: 3-4

99) In the cultural environment, core values and beliefs and secondary values and beliefs differ in that the former are more open to change.
Answer: FALSE
Diff: 1 Page Ref: 87
Skill: Concept
Objective: 3-4

100) When a company hires lobbyists to influence legislation affecting its industry, it is taking a reactive approach to the marketing environment.
Answer: FALSE
Diff: 3 Page Ref: 91
AACSB: Reflective Thinking
Skill: Application
Objective: 3-5

101) Who are the major players in a company's microenvironment? Explain the role each major actor plays.
Answer: Within the company, marketing management takes other groups into account, such as top management, finance, research and development, purchasing, operations, and accounting. Decisions made and implemented by any of these groups have the power to affect marketing. Suppliers form an important link in the company's overall customer value-delivery system. Problems with supply, such as labor or material shortages, will negatively affect the company. Marketing intermediaries help the firm to promote, sell, and distribute its goods to final buyers. They include resellers, physical distribution firms, marketing services agencies, and financial intermediaries. Competitors are also part of the microenvironment, as they can affect the company's ability to serve its customers. The company's microenvironment is also made of various publics, including financial, media, government, citizen-action, and local groups. One or several of the five types of markets–consumer, business, reseller, government, and international–may be part of the company's microenvironment, depending on the company's products.
Diff: 2 Page Ref: 67-69
Skill: Application
Objective: 3-1

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102) In a short essay, differentiate between the basic marketing intermediaries.
Answer: These groups help the company to promote, sell, and distribute its goods and services to final buyers. Resellers are distribution channel firms that help the company find customers or make sales to them. Physical distribution firms help the company to stock and move goods from their points of origin to their destinations. Marketing service agencies are the marketing research firms, advertising agencies, media firms, and marketing consulting firms that help the company target and promote its products to the right markets. Financial intermediaries include banks, credit companies, insurance companies, and other businesses that help finance transactions or insure against the risks associated with the buying and selling of goods.
Diff: 2 Page Ref: 67-68
Skill: Application
Objective: 3-1

103) In marketing, what is a public? Briefly describe the seven main types of publics faced by marketers and explain how marketing might communicate with these publics.
Answer: A public is any group that has an actual or potential interest in or impact on an organization's ability to achieve its objectives. We can identify seven types of publics. Financial publics influence the company's ability to obtain funds. Media publics carry news, features, and editorial opinions. Government publics develop public policy to guide commerce with sets of laws and regulations. Citizen-action publics include consumer, minority, and environmental groups. Local publics include neighborhood residents and community organizations. The general public has concerns about the company's products and actions. Internal publics include workers, managers, volunteers, and the board of directors. Marketing can treat these influential publics like consumer markets, creating marketing plans to build relationships and elicit a desired response.
Diff: 2 Page Ref: 69
AACSB: Communication
Skill: Application
Objective: 3-1

104) How can marketers use information about the demographic environment?
Answer: Marketers can learn much about human populations in terms of changing age and family structures, geographic population shifts, educational characteristics, population diversity, and other statistics. The baby boomer market of 78 million people is one of the most powerful forces shaping the marketing environment. Generation Xers and Millennials have different needs and wants and have money to satisfy those wants. Marketers can learn the differences in the generations and in the changing American family. The mobility and geographic shifts open new marketing opportunities for many companies. A better-educated and more white-collar population in the United States means a shift in emphasis on many goods and services. As diversity increases, marketers can learn about the characteristics of different segments of the population and design products and marketing programs designed for each segment.
Diff: 1 Page Ref: 70-79
AACSB: Analytic Skills
Skill: Application
Objective: 3-2

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105) Explain the impact of the baby boomers, Generation Xers, and Millennials on today's marketing strategies.
Answer: The baby boomers hold three-quarters of the nation's financial assets, making them an attractive market for financial services, new housing and home remodeling, travel and entertainment, and health and fitness products. Generation Xers carry a more cautious outlook; they are less materialistic than baby boomers, so marketers must use a different approach to appeal to them. Millennials are children of the baby boomers. The group includes three age cohorts: tweens, teens, and young adults. Millennials are highly computer literate. The demands of these population groups set marketing trends.
Diff: 2 Page Ref: 70-75
AACSB: Analytic Skills
Skill: Application
Objective: 3-2

106) What are the major trends in today's natural environment? How do these trends affect companies?
Answer: The natural environment shows three major trends: shortages of certain raw materials, higher pollution levels, and more government intervention in natural resource management. Environmental concerns create marketing opportunities for alert companies. As concern about global warming and other environmental issues continues to grow, more and more consumers are demanding environmentally responsible products. Companies who heed these demands will benefit, as environmentally responsible actions are today linked with good business.
Diff: 2 Page Ref: 81
AACSB: Analytic Skills
Skill: Application
Objective: 3-3

107) Why is the technological environment such a dramatic force in today's market?
Answer: The technological environment changes rapidly, as evidenced by all of the technologies that are widespread today-such as cell phones, laptops, digital cameras, etc.-that did not exist thirty years ago. Each new technology creates a new market, and at the same time replaces an older technology. Because of this, marketers must keep a careful watch on the technological environment so that they can adjust to new technologies and take advantage of new opportunities.
Diff: 2 Page Ref: 82
AACSB: Use of IT
Skill: Application
Objective: 3-3

Faculty of Commerce English Section

108) Describe the three main reasons the business legislation is enacted, giving an example of each type of legislation.
Answer: Business legislation is enacted to protect companies from each other, to protect consumers from unfair business practices, and to protect the interests of society against unrestrained business behavior. Several laws, including the Robinson-Patman Act and the Lanham Trademark Act, are designed to prevent unfair competitive practices between businesses; these laws are enforced by the Federal Trade Commission. Laws to protect consumers are designed to prevent deceptive advertising, packaging, and pricing, among other harmful practices. Examples of this type of law include the Fair Packaging and Labeling Act and the Consumer Product Safety Act. Finally, regulations to protect the interests of society require companies to take responsibility for the social costs of their products and/or production practices. An example of this type of law is the National Environmental Policy Act.
Diff: 3 Page Ref: 84
AACSB: Analytic Skills
Skill: Application
Objective: 3-3

109) What is cause-related marketing? Give two examples of the practice and explain why companies participate in cause-related marketing.
Answer: Companies link themselves to a worthwhile cause by connecting a purchase of the company's product or service with fund-raising for a cause or charitable organization. This has become a primary form of corporate donations, as the company can gain a more positive public image while exercising its social responsibility. Cause-related marketing benefits the chosen charitable organization or cause and may increase sales for the company, a win-win situation. Examples of cause-related marketing include Ethos water from Starbucks, which is linked to bringing clean water to children around the world; Easy Buttons at Staples, which are connected to donations to the Boys and Girls Club; and the Pantene Beautiful Lengths campaign, which has raised donations for the Women's Cancer Research Fund and encouraged the donation of hair to make free wigs for women who have experienced hair loss from cancer treatments.
Diff: 3 Page Ref: 86
AACSB: Ethical Reasoning
Skill: Application
Objective: 3-4

Faculty of Commerce, English Section
Alexandria University

110) What is the cultural trend in how people view nature? How does this affect marketers?
Answer: Recently people have moved away from the view of mastering nature through technology and begun to think of nature as finite and susceptible to destruction by human activities. Many Americans already consider themselves to be converts to the ideas of sustainable living, with an even greater number anticipating becoming "extremely green" in the next five years. The renewed love of nature has created a new market, called "lifestyles of health and sustainability" (LOHAS), of consumers who seek organic and natural products, fuel-efficient cars, and alternative medicines. Niche marketers, such as Whole Foods, serve the new LOHAS market with organic offerings, while many traditional chains now market separate lines of organic products.
Diff: 3 Page Ref: 89
AACSB: Analytic Skills
Skill: Application
Objective: 3-4

111) Innovations is a producer of electronic circuits that power a variety of technological devices produced by other companies. Innovations sells its products to _____ markets.
A) business
B) government
C) consumer
D) internal
E) financial
Answer: A
Diff: 1 Page Ref: 69
AACSB: Reflective Thinking
Skill: Application
Objective: 3-1

FCES-Mans
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Mansoura University

112) ING, an international insurance and financial services company, is the primary sponsor of the annual New York City Marathon, which is attended by over one million fans and watched by approximately 300 million viewers worldwide. The ING logo and name appear throughout the race course. ING most likely sponsors the event in order to appeal to which type of public?
A) financial
B) local
C) government
D) general
E) internal
Answer: D
Diff: 1 Page Ref: 69
AACSB: Analytic Skills
Skill: Application
Objective: 3-1

113) If baby boomers are predictors of where product and service demand will be, increased demands will most likely be evident in _____ in the upcoming years.
A) university enrollment
B) beer and wine
C) financial services
D) the apparel industry
E) the automobile industry
Answer: C
Diff: 2 Page Ref: 71
AACSB: Analytic Skills
Skill: Application
Objective: 3-2

114) Noora DeLange is helping her company develop a marketing program for a new product line. The program involves emphasizing experience over acquisition and uses a marketing pitch that is less overt than the company's previous programs. The marketing program is most likely designed to appeal to which of the following demographic groups?
A) Gen Xers
B) nontraditional households
C) "micropolitan" populations
D) Millennials
E) manufacturing workers
Answer: A
Diff: 3 Page Ref: 72
AACSB: Reflective Thinking
Skill: Application
Objective: 3-2

FCES-Mans
Faculty of Commerce English Section
Mansoura University

115) Which of the following best explains why Gen Xers as a group may be more economically cautious than baby boomers?
A) Gen Xers grew up during times of corporate downsizing and recession.
B) Gen Xers watched much of their savings evaporate during the recession of the late 1980s.
C) Gen Xers are not as materialistic as members of other generations.
D) Gen Xers tend to seek more guidance from the financial services industry.
E) Gen Xers are more focused on saving for retirement than baby boomers are.
Answer: A
Diff: 2 Page Ref: 72
AACSB: Analytic Skills
Skill: Application
Objective: 3-2

116) Wholesome Soups, a maker of organic soups, is starting a new marketing campaign emphasizing the ease of preparing and eating Wholesome Soups on the go. Print, television, and Internet ads feature college-aged students enjoying Wholesome Soups in between classes and during study breaks. Wholesome Soups' new marketing campaign is most likely aimed at which of the following?
A) baby boomers
B) seniors
C) Gen Xers
D) Millennials
E) the SOHO market
Answer: D
Diff: 1 Page Ref: 74
AACSB: Reflective Thinking
Skill: Application
Objective: 3-2

117) In considering the changing American family, which of the following are marketers likely to consider the LEAST important?
A) The number of traditional households has increased.
B) Baby boomers are hitting retirement age.
C) The number of married couples with both partners working outside of the home has increased.
D) Married couples with children make up less than 25% of the nation's households.
E) The number of stay-at-home fathers has increased in the past 20 years.
Answer: A
Diff: 3 Page Ref: 75
AACSB: Analytic Skills
Skill: Application
Objective: 3-2

Faculty of Commerce English Section
Mansoura University

118) Which of the following demographic trends is likely the most responsible for the increasing number of people who telecommute?
A) the migration toward micropolitan and suburban areas
B) the move from rural to metropolitan areas
C) the increasing number of nontraditional households
D) the growing percentage of married couples who do not have children
E) the declining number of manufacturing workers
Answer: A
Diff: 2 Page Ref: 76
AACSB: Communication
Skill: Application
Objective: 3-2

119) With an expected increase in ethnic diversity within the American population, marketers are most likely to place a greater emphasis on which of the following?
A) geographic segmentation
B) differing advertising messages
C) mass marketing
D) "us and them" paradigms
E) tiered markets
Answer: B
Diff: 1 Page Ref: 77
AACSB: Analytic Skills
Skill: Application
Objective: 3-2

120) Jack Weiss recently won a $10 million lottery. Jack's life will change a great deal, particularly how he spends money. According to Engel's laws, Jack is LEAST likely to change the percentage of his income that he spends on which of the following?
A) food
B) entertainment
C) housing
D) utilities
E) savings
Answer: C
Diff: 2 Page Ref: 81
AACSB: Reflective Thinking
Skill: Application
Objective: 3-2

FCES-Mans
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Mansoura University

121) As a marketer of pesticides, which of the following should give you the LEAST amount of concern?
A) shortages of raw materials
B) increased pollution
C) increased government intervention
D) persistence of cultural values
E) chemical pollutants in the food supply
Answer: D
Diff: 2 Page Ref: 81
AACSB: Analytic Skills
Skill: Application
Objective: 3-3

122) Chet Hoffman's chain of travel agencies has identified the lesbian, gay, bisexual, and transgender community as a growing market that spends an increasing percentage of its income on travel. Which of the following would be the LEAST effective component of a marketing plan for Chet to take advantage of this opportunity?
A) develop a presence on social networking sites
B) position his agency as focused on specialized experiences
C) implement a mass marketing campaign
D) place specially-targeted ads in gay-themed publications
E) sponsor social events in metropolitan areas
Answer: C
Diff: 2 Page Ref: 78
AACSB: Analytic Skills
Skill: Application
Objective: 3-2

123) The green movement will likely spark the LEAST interest in which of the following?
A) recycling programs
B) environmentally sustainable strategies
C) social responsibility
D) Internet usage
E) biodegradability
Answer: D
Diff: 1 Page Ref: 81
AACSB: Analytic Skills
Skill: Application
Objective: 3-3

124) As indicated in the chapter opener, change in the _____ environment has had the most impact on the marketing strategy at Xerox.
A) technological
B) natural
C) economic
D) cultural
E) political
Answer: A
Diff: 2 Page Ref: 64
AACSB: Reflective Thinking
Skill: Application
Objective: 3-3

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125) Norma Bernanke is a marketer at a pharmaceutical company that has just developed a new medication to treat asthma. Which of the following components of the political environment should Norma be LEAST concerned with as her company begins to develop a marketing plan for the new product?
A) approval from the Food and Drug Administration (FDA)
B) state laws regulating advertising of pharmaceuticals
C) laws enforced by the Federal Trade Commission
D) the Fair Packaging and Labeling Act
E) the Nutrition Labeling and Education Act
Answer: E
Diff: 3 Page Ref: 85
AACSB: Analytic Skills
Skill: Application
Objective: 3-4

126) A regional supermarket chain runs print, radio, and television advertisements announcing that 1% of each of its sales is donated to local after-school programs for underprivileged youth. This is an example of _____ marketing.
A) cause-related
B) generational
C) sustainable
D) tiered
E) cultural
Answer: A
Diff: 2 Page Ref: 86
AACSB: Reflective Thinking
Skill: Application
Objective: 3-4

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127) Which of the following is an example of a core belief?
A) Marriage is important.
B) Americans should display their patriotism.
C) The comforts of home are more important than entertainment outside of the home.
D) Extended warranties are never worth the money consumers pay for them.
E) Professionals should wear business clothes to work.
Answer: A
Diff: 2 Page Ref: 87
AACSB: Reflective Thinking
Skill: Application
Objective: 3-4

128) Consumers undertaking which of the following would be LEAST likely to be identified as "Adventurers" by the Yankelovich *Monitor*?
A) taking a cruise
B) taking up a new sport
C) having a home entertainment center installed
D) hiking the Grand Canyon
E) traveling to Asia
Answer: C
Diff: 2 Page Ref: 88
AACSB: Reflective Thinking
Skill: Application
Objective: 3-4

129) Toyota's Prius was the first mass-produced hybrid vehicle, known for its fuel efficiency and environmental friendliness. The Prius was initially most likely marketed to which of the following groups?
A) the SOHO market
B) the LOHAS market
C) the LGBT market
D) the Asian American market
E) the Millennials market
Answer: B
Diff: 2 Page Ref: 89
AACSB: Reflective Thinking
Skill: Application
Objective: 3-4

FCES-Mans
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130) Assume that you are a manager at a firm that has hired lobbyists to influence legislation affecting your firm's industry to its advantage. Your firm takes a(n) _____ approach to the marketing environment.
A) reactive
B) proactive
C) adversarial
D) passive
E) team work
Answer: B
Diff: 1 Page Ref: 91
AACSB: Reflective Thinking
Skill: Application
Objective: 3-5

131) Which of the following forces would marketers be MOST likely able to influence?
A) geographic population shifts
B) core cultural values
C) income distribution
D) increasing ethnic diversity
E) media publics
Answer: E
Diff: 3 Page Ref: 91
AACSB: Analytic Skills
Skill: Application
Objective: 3-5

Refer to the scenario below to answer the following questions.

Casey Brickly opened The Landing on the north shore of Witmer Lake in 1962. With a sandwich counter on one side and a bait shop and grocery on the other, The Landing was an immediate hit with weekend lake visitors and local residents alike. In the summer, boaters parked at the piers and bought all their lake needs□rods and reels, bait, fishing licenses, snacks, soft drinks□at The Landing. Even during the winter months, snowmobilers and ice fishermen were lured to The Landing for a snack and hot coffee or hot chocolate.

As time passed, the business changed and grew tremendously. What was formerly a weekend tourist area gradually became a year-round residential area. Many of the houses, which were built as cottages in the 1950s and 1960s, were being remodeled into year-round homes. By the end of the 1970s, the days of small motor boats and 10 mile-per-hour speed limits were gone; skiing and fast speed boats became all the rage. And The Landing continued to attract flocks of patrons.

In the 1980s, however, Casey started to realize that the grocery area in The Landing could not compete with larger local retailers. He eventually enlarged the sandwich counter, transforming the bait shop and grocery into a restaurant with a full menu typical of any diner.

"Getting rid of the bait shop was hard to do," Casey admitted. "I still had a summer crowd that relied on us for their fishing needs, but we couldn't survive a whole year on four months of profit."

As the 1990s approached, the atmosphere of Witmer Lake and the neighboring lakes became upscale. "I could see that people were spending more on their speed boats than what they had originally paid for their cottages!" Casey exclaimed. Many of the cottages were being inherited by children and grandchildren of the original owners. Once again, the scene started to change as many of the lake houses were used only as weekend lake homes. Unlike the previous generation, a vast number of the current owners could afford to live closer to their jobs while maintaining lake homes. "At this point, business wasn't growing," Casey said.

As local competition continued to increase, Casey converted the diner atmosphere of The Landing into a bar with a lounge area. "The change might have been too drastic," Casey said, "but it was the only way we could maintain a strong, year-round business in spite of the population shifts and competitive forces."

Free Mails
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132) Which microenvironment actors have affected The Landing the most?
A) competitors
B) suppliers
C) intermediaries
D) natural environment
E) economic environment
Answer: A
Diff: 2 Page Ref: 66
AACSB: Analytic Skills
Skill: Application
Objective: 3-1

133) Which of the following macroenvironmental forces has had the greatest effect on The Landing?
A) the demographic environment
B) the technological environment
C) the sustainable environment
D) the political environment
E) the social responsibility environment
Answer: A
Diff: 1 Page Ref: 70
AACSB: Analytic Skills
Skill: Application
Objective: 3-2

134) Which macroenvironmental force is most responsible for The Landing's 43-year survival?
A) the demographic environment
B) the natural environment
C) the economic environment
D) the political environment
E) the legal environment
Answer: B
Diff: 2 Page Ref: 81
AACSB: Analytic Skills
Skill: Application
Objective: 3-3

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135) Which of the following demographic forces has most likely influenced the recent upscale atmosphere of the area surrounding Witmer Lake?
A) baby boomers reaching their peak earning and spending years
B) Gen Xers displacing the lifestyles of baby boomers
C) Millennials beginning to assert their buying power
D) the changing structure of the American family
E) the growing ethnic diversity of the country
Answer: A
Diff: 2 Page Ref: 71
AACSB: Analytic Skills
Skill: Application
Objective: 3-2

136) If there is one overall lesson to be learned from the opening Xerox scenario, what would it be?
Answer: As the marketing environment and consumers' needs change, marketers must change with them.
Diff: 2 Page Ref: 65
AACSB: Analytic Skills
Skill: Application
Objective: 3-1

137) How have large retailers such as Wal-Mart changed the dynamics behind partnering with resellers?
Answer: More and more large retailers have tremendous bargaining power with suppliers; the "giants" often set their own terms and can shut the manufacturer out of large markets.
Diff: 2 Page Ref: 68
AACSB: Analytic Skills
Skill: Application
Objective: 3-1

FCFS-Mans
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138) What are two potential drawbacks of creating separate products and marketing programs for each generation?
Answer: A brand's image could be damaged if members of one generation respond negatively to a marketing campaign designed to appeal to members of another generation. Each generation spans decades of time, so members of one generation are actually at diverse life stages.
Diff: 3 Page Ref: 79
AACSB: Analytic Skills
Skill: Application
Objective: 3-2

139) How do baby boomers today differ from previous generations as they neared and reached their sixties?
Answer: Baby boomers are more likely to retire later and to work more after retiring; instead of seeing themselves as getting older, the baby boomers see this as another new phase of life with opportunities for reinvention.
Diff: 2 Page Ref: 71
AACSB: Multicultural and Diversity
Skill: Application
Objective: 3-2

140) Why might marketers want to target segments of the population based on lifestyles rather than age groups?
Answer: Too much might be assumed about people in the same age group, and grouping people by lifestyle may eliminate some of the inaccurate assumptions made regarding age.

Diff: 3 Page Ref: 75
AACSB: Analytic Skills
Skill: Application
Objective: 3-2

141) How might geographic shifts in population impact marketers?
Answer: People in different regions buy differently. If tastes and preferences are taken with consumers as they disperse geographically at increasing rates, predicting specific consumption patterns in certain geographic areas may become difficult over time.
Diff: 2 Page Ref: 76
AACSB: Analytic Skills
Skill: Application
Objective: 3-2

Faculty of Commerce English Section
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142) In terms of ethnic and racial makeup, why is the United States today more accurately characterized as a "salad bowl" than a "melting pot"?
Answer: Individuals hailing from virtually every country in the world live in the United States; people from these diverse group mix together, but retain many important ethnic and cultural differences. The melting pot metaphor is inaccurate because people from diverse cultures and ethnic groups have not "melted" into one homogeneous culture.

Diff: 2 Page Ref: 77
AACSB: Multicultural and Diversity
Skill: Application
Objective: 3-2

143) Briefly explain why Americans amassed record amounts of debt in the 1990s and why the free-spending trend has ended.
Answer: Americans purchased beyond their means because of high expectations for future economic growth based on a boom in the stock market and rapid increases in home values; those expectations were dashed by the recent economic downturn.
Diff: 2 Page Ref: 80
AACSB: Analytic Skills
Skill: Application
Objective: 3-2

144) Why might it be beneficial for marketers to help develop solutions to problems facing the natural environment, such as increased pollution and shortages of raw material?
Answer: Marketers who help to develop solutions to these problems can gain the advantage of becoming market leaders, as increasingly strict environmental regulations can be expected in the United States and elsewhere. Environmentally responsible actions will help a company's public image; they will also help to create a more sustainable market.
Diff: 3 Page Ref: 81-82
AACSB: Ethical Reasoning
Skill: Application
Objective: 3-3

145) One purpose of government regulation is to protect consumers from unfair business practices. List two areas in which this may occur.
Answer: Some firms, if left to their own devices, may produce shoddy products, mislead consumers in their advertising, or deceive consumers through packaging and pricing in order to increase profits.
Diff: 1 Page Ref: 84
AACSB: Ethical Reasoning
Skill: Application
Objective: 3-4

146) How might a marketer act in a socially responsible way toward the general public?
Answer: Marketers may work to protect the long-run interests of their consumers and the environment by making products safer, interacting responsibly with the natural environment, and supporting social organizations through cause-related marketing.
Diff: 1 Page Ref: 85
AACSB: Ethical Reasoning
Skill: Application
Objective: 3-4

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147) Explain the controversy surrounding cause-related marketing.
Answer: Companies using cause-related marketing may be perceived as trying to merely increase sales or improve their images if their connection to the cause is not accurately explained or understood or if they appear to be exploiting a cause in order to increase sales.
Diff: 2 Page Ref: 87
AACSB: Analytic Skills
Skill: Application
Objective: 3-4

148) What is the difference between a core belief and a secondary belief? Give an example of each.
Answer: A core belief is a stronger, overall belief; an example might be a strong work ethic. A secondary belief is more open to change; an example might be one's idea that a strong work ethic can be maintained even while working only part-time.
Diff: 2 Page Ref: 87
AACSB: Reflective Thinking
Skill: Application
Objective: 3-4

149) Why is it important for marketers to understand people's views of themselves?
Answer: People select and use products and services as a means of self-expression; knowledge of these self-views will help marketers position their products to be most attractive to target markets.
Diff: 1 Page Ref: 88
AACSB: Analytic Skills
Skill: Application
Objective: 3-4

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150) What steps might a marketer take to shift from a reactive stance to the marketing environment to a more proactive stance?
Answer: To take a proactive stance, marketers need to take action to affect the different actors and forces in their marketing environment. These steps might include running advertorials or other campaigns to influence public opinion and hiring lobbyists to influence legislation.
Diff: 3 Page Ref: 91
AACSB: Reflective Thinking
Skill: Application
Objective: 3-5